



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

RECEIVED

FEB 18 2004

DIV. OF OIL, GAS & MINING

FEB 13 2004

IN REPLY REFER TO:
UTU-0126942
(UT-923)

CERTIFIED MAIL--Return Receipt Requested

Mr. Clay Taylor
American Gilsonite Company
HC 73 Box 28
Vernal, Utah 84078

Re: Exploration Plan Federal Gilsonite lease UTU- 0126942

Dear Mr. Taylor:

This is a follow-up letter based on conversations that were held during the quarterly inspection on December 17, 2003, clarifying deficiencies with the subject plan that was dated September 24, 2003. During the quarterly inspection we reviewed our comments on the plans deficiencies in order to expedite the approval process. BLM has not yet received a response, so we are formally providing our comments in writing to avoid any confusion. In order for BLM to continue to process your plan your plan needs to address the following:

1. The existing environment of the lease including geology, T& E species and present land use.
2. Measures to be taken to prevent or control fires, soil erosion, pollution of water, air and damage to existing habitat, damage to existing resources
3. Any improvements are necessary on the San Ridge road outside of the lease and if they are needed then a Right-of-Way may be necessary. This will have to be filed with the Lands and Realty team in the Vernal Field Office.
4. Improvements and maintenance of on-lease existing roads.
5. Access to the drill sites.
6. If the drilling equipment will be left on the lease until the exploration is completed.
7. Other equipment and frequency that will be necessary to support the drilling and the reclamation equipment needs.
8. You need to commit to monitor for and control noxious weeds (as listed by Uintah County, the State of Utah Dept. of Agriculture and Utah BLM) as part of your monitoring of the reclamation during the monitoring period.
9. Address a multi-year post monitoring period with action to abate erosion and provide for 70% re-establishment of the species, density and frequency of the pre-disturbance vegetative cover.

10. The method of backfilling and re-contouring should be discussed.
11. Application rates of weed free Pure Live Seed (PLS) if the application is drilled. If the seed mix is broadcast these amounts should be doubled.
 - a. Schadscale (*Atriplex confertifolia*) 3 lbs/acre PLS
 - b. Gradners Saltbush (*Atriplex gardneri*) 3 lbs/acre PLS
 - c. Indian Ricegrass (*Oryzopsis hymenoides*) 3 lbs/acre PLS
12. Sampling and testing groundwater according to enclosure 1 and report to the Authorized Officer and the Assistant Field Manager Mineral Resources at the Vernal Field Office. BLM should be notified within 24 hours of encountering water.
13. Information on the amount and location of water to be used on the drilling program. If an existing water right is to be used, information about the water right must be included.
14. The minimum and maximum of drill stations, the number of holes at each drill station in each corridor, the size of the hole, and information about spacing between stations needs to be cited. The drilling locations should be shown on the map.
15. The drilling corridor should extend to the western boundary of the lease.
16. The lessee should address hazardous waste and provide a negative statement if necessary. (No chemicals subject to SARA Title III in amounts greater than 10,000 lbs would be used. No extremely hazardous substances as defined in 40 CFR 355 in threshold planning quantities would be used).
17. Identify the type of drilling mud that will be used.
18. Indicate that drill holes will be plugged in accordance with Utah State Division of Oil, Gas and Mining Rule R647-3-108.

If you require further information, please contact Mr. Stan Perkes at (801) 539-4036.

Sincerely,

James F. Kohler
James F. Kohler
Chief, Solid Minerals Branch

Enclosure
Water Measurements

cc: Vernal Field Office
Utah Division of Oil, Gas, and Mining (Attn. Doug Jensen)

Enclosure 1

Water measurements for encountering water during drilling and/or mining.

Measurements	Reported As
Water level or Flow	Depth, CFS, CFM
pH	Standard Units
Total Dissolved Solids (TDS)	mg/L
Total Suspended Solids (TSS)	mg/L
Oil and Grease	mg/L
Aluminum (Total)	ug/L
Iron (Total)	ug/L
Antimony (Total)	ug/L
Arsenic (Total)	ug/L
Beryllium (Total)	ug/L
Cadmium (Total)	ug/L
Chromium (Total)	ug/L
Copper (Total)	ug/L
Mercury (Total)	ug/L
Nickel (Total)	ug/L
Selenium (Total)	ug/L
Silver (Total)	ug/L
Thallium (Total)	ug/L
Zinc (Total)	ug/L
Cyanide (Total)	ug/L
Phenols (Total)	ug/L